

Regulatory requirements for workplace rehabilitation providers in the NSW personal injury schemes: Update

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1. Consultation overview

In October 2020, SIRA sought input from industry stakeholders on the NSW policy framework underpinning the approval, engagement and performance of workplace rehabilitation providers (WRP). This was part of a broader review to inform the development of a future *NSW workplace rehabilitation provider policy and framework* that will enable:

- improved return to work (RTW) performance for injured people
- a move towards a value/outcome-based policy framework and
- a sustainable provider market.

The review involved:

- a desktop review of available information from comparable jurisdictions and relevant sources
- the development of a consultation paper circulated for review by industry stakeholders and inviting submissions to be considered as part of the review. 14 submissions were received as part of the SIRA online consultation process which closed on the 27th November 2020
- 10 targeted consultations with comparable jurisdictions and representative organisations. These consultations were used to expand on information identified as part of the desktop review and submission process.

This paper presents a summary of the key themes based on the various inputs to the review to date.

2. Key themes

2.1. Governance, roles and responsibilities

- **Clarity of roles:** appropriate governance arrangements are required to ensure quality and consistency of workplace rehabilitation. Importantly, the NSW WC scheme structure (with the separation of the regulator and insurer) differs significantly from other jurisdictions consulted as part of the review. As a result, central to the future of this work is clarity of roles and responsibilities of key stakeholders in NSW schemes who support a person's recovery and return to work, including SIRA as the regulator, insurers, providers and employers.
- **Value-based care:** in line with SIRA's strategy for value-based care and a focus on outcomes, a governance framework should be responsive to supporting innovation within workplace rehabilitation to deliver value-based care, however provides clear governance protocols to ensure the safety and appropriateness of services for injured people.
- **Capacity building:** there was support for SIRA to invest in further investment in research and translation activities, as well as provision of ongoing training, education, and support to industry.

2.2. Scope of services and criteria for approval

- There were a range of challenges with the current scope of services identified by insurers, WRPs and employers:
 - timely identification and referral for those at need of WRP services
 - the types of services and support they require
 - the breadth of services that can be provided, and
 - the corresponding service codes to claim for workplace rehabilitation (WR) appropriately.
- **Non-approved WRP and services:** there was both support for innovative service provision as well concern for risks of non-tested services.
- **Comparisons with other jurisdictions:** there are several areas of WR services included in other jurisdictions which are not currently specified in NSW. For some of these services, there is also a need to consider the different qualifications, experience and continuing education requirements for approval of appropriate quality providers.
- **Additional service areas identified through this consultation for consideration include:** work readiness, workplace facilitated discussions, coaching and services to explore new employment.

2.3. Service delivery expectations

- An area for further exploration is the need for WRPs to specify in their application for approval, how they will demonstrate quality, value-based outcomes and continuous improvement, both initially and throughout the period of approval.

2.4. Outcomes measurement

- **Move towards value and outcomes:** there was strong agreement from industry stakeholders on alignment of the future WRP framework with the concepts of value and outcome measurement published in the *SIRA health outcomes framework*.
- **RTW measures essential:** there was also strong agreement that measurement of RTW outcomes are essential. The need for consistent definitions, measures, application and reporting were key themes.
- **More holistic outcomes measures:** there was strong recognition of the need for more holistic measurement of outcomes for WR. Clear examples were highlighted by stakeholders and other jurisdictions including:
 - *experience measures:* injured person and employer, and
 - *functional and quality of life measures:* for example, return to function, capacity and community engagement measures.

2.5. Performance management

- **Comparison with other jurisdictions:** there were a range of performance management frameworks employed by other jurisdictions across AUS/NZ. These typically included progressive, escalating stages of performance management for WRPs based on the level and persistence performance challenges or the severity and risk of issues identified. Performance

management frameworks included performance measures for WRPs, monitoring and compliance, stages of performance management, matching worker need to service provision.

2.6. Fee regulation

- Some stakeholders were supportive of SIRA establishing fee schedules for WRPs. Many of the jurisdictions consulted as part of the review have fee schedules, however it is important to note the separation of regulator and insurer in NSW when considering this comparison. Examples included scheduled or gazetted fees for services, fees for bundled services (e.g. 'existing employer services', 'new employer services'), outcome incentive payments (e.g. for first RTW, durable RTW).

2.7. Alignment for CTP and WC schemes

- There was strong 'in principle' support from industry stakeholders for further exploring the benefits of extending the WRP approval to the CTP scheme.
- Along with more wholistic service provision such as return to activity within the workers compensation scheme.
- There was support to improve consistency, standardisation and transparency of WRP service provision across NSW personal injury schemes.

2.8. Priority areas for WRP service improvement

- Industry submissions and consultations identified several priority areas of focus for continued WRP service improvement, including:
 - Early identification and, timely and appropriate referral to WRP
 - Increased development and support of specialist WRP services and consultants to support psychological injury claims
 - Improved access and tailoring of services for persons from CALD groups and for rural and remote services.

3. Next steps

The areas presented above will form the basis of a workplan to develop the future WRP policy framework for implementation.

Indicative workplan milestones include:

- May/June 2021: Targeted consultation with industry on draft WRP approval framework
- August 2021: New WRP approval framework published and approval application process commences
- September - October- 2021: Applications for WRP approval to be submitted
- January 2022: Commence operation of new WRP approval framework.

Disclaimer

This publication may contain information that relates to the regulation of workers compensation insurance, motor accident compulsory third party (CTP) insurance and home building compensation in NSW. It may include details of some of your obligations under the various schemes that the State Insurance Regulatory Authority (SIRA) administers.

However to ensure you comply with your legal obligations you must refer to the appropriate legislation as currently in force. Up to date legislation can be found at the NSW Legislation website legislation.nsw.gov.au

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